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Remarks

The present response is to the Office Action mailed the above-referenced case on February 10, 2006. Claims 1-28 are presented below for examination. The Examiner has objected to claims 16-28 to due to incorrect dependencies. Claims 2-28 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite. Claim 1 is rejected under 35 U.S.C. 102(e) as being anticipated by Landry of record. Claims 1, 2, 15 and 16 are rejected under 35 U.S.C. 102(e) as being anticipated by Atsmon et al. (U.S. 6,607,136), hereinafter Atsmon. Claims 3-14 and 17-28 are rejected under 35 U.S.C. 103(a) and being unpatentable over Atsmon in view of Saitoh (U.S. 5,929,414), hereinafter Saitoh.

Applicant has carefully studied the prior art references provided by the Examiner, and the Examiner's objection, rejections and statements of the instant Office Action. Responding to the Examiner's objection to claims 16-28 applicant herein provides appropriate amendment to the affected claims to overcome the objection. Regarding the Examiner's 112 rejection of claims 2-28, the Examiner has stated that the recitation of "the card reader characterized by the absence of processing means" appears to be a structural limitation of a card reader, and the recitation of "...a secure memory device as in claim 1, exchanging data with a host..." appears to be directed to a functional limitation of the secure memory device. The Examiner adds that the problem is magnified in claim 12, adding that the claim appears to be directed towards a different embodiment of the invention in which the card reader includes a transducer (functionality), and claim 2 appears to be directed towards a different embodiment in which the reader is a connector.

The patentable heart of applicant's invention is in the intelligent smart card and secure memory within including on-chip oscillators, the smart card usable with any available card reader to perform the unique functionality of the invention. Applicant's independent claims are directed to a smart card (claim 15) and a secure memory device (claim 1), circuitry of which is contained within a smart card. For the purpose of continuing prosecution, the Examiner is correct in interpreting the reader of claim 2

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simply as a connector, because applicant's invention teaches that it is exactly that. So in response to both above observations made by the Examiner, applicant amends claim 2 to more accurately recite a secure memory device as in claim 1, exchanging data with a host in the form of a modulated signal by means of a card reader reading the smart card, the smart card characterized by possessing all processing means. Claim 12 is herein cancelled.

In response to the Examiner's merit rejections of applicant's claims, applicant amends the claims to more particularly point out and distinctly claim the subject matter of applicant's invention regarded as patentable, which the Examiner appears to misunderstand in his rejections and statements. Applicant further provides arguments that will clearly establish that applicant's invention, as characterized in the claims as amended, are unarguably patentable over the prior art provided by the Examiner, either singly or in combination.

Applicant amends independent claim 1 to specifically recite a secure memory device for use with and contained within a smart card with a modem interface comprising circuitry of...an on-chip oscillator, circuitry of which is contained in the secure memory device. Independent claim 15 is amended to specifically recite a secure memory device for use with and contained within a smart card with a modem interface comprising circuitry of...an on-chip oscillator, circuitry of which is contained in the secure memory device. For convenience and as an aid in prosecution, applicant reproduces claims 1 and 15 below.

Claim 1 as amended now recites:

1 (amended) A secure memory device for use with and contained within a smart card with a modem interface comprising circuitry of:

a rewritable memory;

a processing unit or a microprocessor;

an on-chip oscillator, circuitry of which is contained in the secure memory device;

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an ISO 7816 interface;
a one-wire modem interface;
characterized in that both communication interfaces are bidirectional and share
the same I/O terminal.

Claim 15 as amended now recites:

15. (amended) A smart card comprising circuitry of:
a secure memory device having a rewritable memory;
a modem interface;
a processing unit or a microprocessor;
an on-chip oscillator, circuitry of which is contained within the secure memory
device;
an ISO 7816 interface;
a one-wire modem interface;
characterized in that both communication interfaces are bidirectional and share
the same I/O terminal.

Regarding claim 1, the Examiner has stated that Landry discloses applicant's secure memory device comprising all of the limitations of applicant's claim, including an on-chip oscillator. In the Response to Arguments section of the instant Office Action, the Examiner asserts that Landry discloses at least two on-chip oscillators, namely a modem (Fig. 3, element 26) and a v.8 bis tone decoder generator (element 28).

However, applicant's claim as amended now specifically recites "a secure memory device for use with and contained within a smart card with a modem interface comprising circuitry of...an on-chip oscillator, circuitry of which is contained in the secure memory device." Even if the modem and v.8 vis tone decoder generator of Landry can be construed as oscillators as in applicant's invention, as contended by the Examiner, the oscillator circuitry is certainly not contained within the secure memory device, as recited in applicant's claim as amended; rather, the modem and v.8 vis tone decoder

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generator are contained within the smart card reader (10), not the secure memory device, as evidenced in Fig. 3 of Landry. Landry teaches a smart card reader, not a secure memory device contained within a smart card, the secure memory device containing the circuitry of an on-chip oscillator. Applicant urges therefore that Landry fails to anticipate all of the limitations now recited in applicant's claim 1 as amended.

Claims 1, 2, 15 and 16 are rejected under 35 U.S.C. 102(e) as being anticipated by Atsmon. The Examiner has stated that, regarding claim 15, Atsmon discloses all of applicant's claimed limitations, including an on-chip oscillator, noting that both oscillator circuits are external to the processor, not the smart card.

However, applicant's claim 15 as amended, as in claim 1 as amended, now specifically recites a smart card comprising circuitry of "a secure memory device having a rewritable memory... (and) an on-chip oscillator, circuitry of which is contained within the secure memory device. The clear distinction between the invention of Atsmon and applicant's invention, is that Atsmon teaches that the oscillator circuitry resides within the microcontroller (PIC16F84, Fig. 7 and Processing Unit 21, Fig. 2), not the secure memory device as in applicant's invention and claims as amended. Fig. 2 of Atsmon teaches an electronic card (10) comprising a Power and Switching Unit (24), Memory Unit (22), Processing Unit (21) and Output Unit (23). Atsmon further illustrates and teaches in Fig. 7, a microcontroller, which applicant believes represents the Processing Unit (21) of Fig. 2, in which the alleged oscillator circuitry resides. However this teaches away from the oscillator circuitry residing in the secure memory device of the smart card, as in applicant's invention and claims as amended. Applicant urges therefore that Atsmon also fails to anticipate all of the limitations now recited in applicant's claim 15 as amended.

As the independent claims have been amended and argued to clearly differentiate over the references provided by the Examiner, and applicant believes that the Examiners objections and rejections due to informalities have been sufficiently overcome by amendment and cancellation of claim 12, applicant stresses that claims 1 and 15 are patentable over the art provided. Claims 3-14 and 17-28 are rejected under 35 U.S.C.

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103(a) and being unpatentable over Atsmon in view of Saitoh. All of the claims are depending claims. As both Landry and Atsmon now fail as primary references as argued above on behalf of claims 1 and 15 as amended, and claim 12 has been cancelled, claims 2-11 and 13-14, and 16-28 are then patentable on their own merits in their Original form or as amended, or at least as depended from a patentable claim.

As all of the claims standing for examination have been shown to be patentable as amended over the art of record, applicant respectfully requests reconsideration, and that the present case be passed quickly to issue. If there are any time extensions needed beyond any extension specifically requested with this response, such extension of time is hereby requested. If there are any fees due beyond any fees paid with this amendment, authorization is given to deduct such fees from deposit account 50-0534.

Respectfully Submitted,
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